

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT ("PUD") RIDER made this _____ day of _____, is incorporated into and amends supplements that Deed of Trust dated of even date herewith ("Deed of Trust"), given by the undersigned ("Borrower") to secure Borrower's note to _____ ("Lender") and covering the real property and improvements thereon described in the Deed of Trust and located at _____ ("Property"). The Property is a parcel of land improved with a dwelling, which, together with other such parcels and certain common areas and facilities, all described in ("Declaration"), forms a planned unit development known as _____ ("PUD").

PLANNED UNIT DEVELOPMENT COVENANTS. In addition to the covenants and agreements made in the Deed of Trust, Borrower and Lender further covenant and agree as follows:

A. *PUD Obligations.* Borrower shall perform all of Borrower's obligations under the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document required to establish the homeowners association, or equivalent entity managing the common areas and facilities of the PUD ("Owners Association"); and (iii) by-laws, if any, or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all assessments imposed by the Owners Association.

B. *Hazard Insurance.* In the event of distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the common areas and facilities of the PUD, any such proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Deed of Trust, with the excess, if any, paid to Borrower.

C. *Condemnation.* The process of any award or claim for damages, direct or consequential, payable to Borrower in connection with condemnation or other taking of all or any part of the common areas and facilities of the PUD or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Deed of Trust in the manner provided under paragraph 12 of the Deed of Trust.

D. *Lender's Prior Consent.* Borrower shall not, except after notice to Lender and with Lender's prior written consent, consent to:

- (i) the abandonment or termination of the PUD;
- (ii) any material amendment to the Declaration, trust instrument, articles of incorporation, by-laws of the Owners Association, or any equivalent constituent document of the PUD, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the common areas and facilities of the PUD;
- (iii) the effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the PUD; or
- (iv) the transfer, release, encumbrance, partition or subdivision of all or any part of the PUD's common areas and facilities, except as to the Owners Association's right to grant easements for utilities or similar or related purposes.

E. *Remedies.* If Borrower breaches Borrower's covenants and agreements hereunder, including the covenant to pay when due planned unit development assessments, then Lender may invoke any remedies provided under the Deed of Trust, including, but not limited to, the exercise of the power of sale as described in paragraph 22 of the Deed of Trust.

Borrower

Borrower